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## From Middlemen to Minorities: The Shifting Position of the Chinese in Colonial and Post-Colonial Vietnam, 1887-1963

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### *Abstract*

*This paper discusses the changing position of the Chinese during the French colonization and decolonization in Vietnam. Attention is given to the intermediate role of the Chinese between the French colonial authorities and the Vietnamese, which provided the Chinese with an advantageous position over indigenous population. The Japanese occupation of Vietnam during World War II considerably harmed Chinese businesses. Although the Chinese managed to restore their businesses in post-colonial Vietnam, the intensifying First Indochina War (1946-1954) made their position increasingly precarious. Under such unfavourable conditions, the majority of the Chinese fled North Vietnam in the 1940s and early 1950s, a departure that became more pronounced following the collapse of French colonialism in 1954. The remaining interests of the Chinese in the South also became the targets of South Vietnam's government. This study analyzes the relationship between the French decolonization and the declining position of Chinese community in Vietnam.*

**Keywords:** Chinese; French Colonialism, French Decolonization; Anti-Chinese Sentiments; Vietnam.

### **Introduction**

When analyzing the colonial economies of Southeast Asia, scholars have frequently employed the concept of the plural economy, a term coined by British colonial official J.S. Furnivall. Furnivall (Furnivall, 1939: 446, 451) defined a plural economy as the economic dimension of a 'plural society', characterized by 'two or more elements or social orders', coexisting within a single political unit without significant social integration. He argued that the relationship between these groups were primarily 'governed solely by economic process' with the production of material goods as the primary social objective. This emphasis on production over social cohesion resulted in a segmented division of labour and economic conflicts between racial groups. Consequently, the colonial economies of Southeast Asia typically displayed a hierarchical structure: Western enterprises at the apex, indigenous people forming the base, and Chinese, Indian, and Arab minorities acting as intermediaries (Lindblad, 2008: 15; Golay et al, 1969: 116-117).

Following Furnivall's argument, this article explores the intermediate position of the Chinese in the colonial economy of Vietnam. During the colonial era, the Chinese served as the middlemen between the French colonial authorities and the Vietnamese, which gave them the advantageous economic position over the indigenous population, especially in terms of the distribution of jobs and income. The Chinese concentrated in major urban centers, such as Hanoi, Haiphong, and Namdinh in the North and Saigon-Cholon, Travinh, Soctrang, and Hatien in the South. They

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participated in diverse economic activities and maintained control over domestic transports, rice milling, money lending, and retail businesses. Many acquired lucrative monopolies from the French colonial authorities over the transport and sale of key commodities, such as rice, wine, and opium, as well as concessions for tax collection at markets, ferries, and gambling venues. The excessive wealth of the Chinese was often viewed by the indigenous population to have been the product of their collaboration with the French colonial authorities and their exploitation of local resources, allegedly at the expense of the Vietnamese people.

The Japanese occupation of Vietnam during the World War II considerably harmed the Chinese businesses. Under the repression of the Japanese military authorities, a large number of the Chinese were forced to leave Vietnam. The Chinese managed to restore their businesses in Vietnam immediately after the World War II during the Chinese Kuomintang army's occupation of North Vietnam. Nevertheless, with the subsequent rapid departure of the Kuomintang forces, the return of French colonial authorities, and the escalating First Indochina War (1946-1954), the Chinese position in Vietnam became increasingly precarious. As a result of the anti-Chinese sentiments, the majority of the Chinese fled North Vietnam in the late 1940s and the early 1950s. The Chinese economic interests in the South soon became the targets of Ngo Dinh Diem's economic nationalism. To safeguard their properties and businesses, most Chinese residents in South Vietnam adopted Vietnamese nationality during the late 1950s and early 1960s. Following the process of the French decolonization, the Chinese gradually lost their intermediate position and became an ethnic minority in post-colonial Vietnam. Thus, another objective of this study is to analyze the relationship between the French decolonization and the declining position of the Chinese community in Vietnam.

### **Chinese Immigration to Colonial Vietnam**

The Chinese immigration to Vietnam can be traced back to centuries BC when the territory of today North Vietnam was annexed to the successive Chinese empires. The influx of the Chinese into Vietnam was continued after the country became independent in the tenth century. Nevertheless, the number of permanent Chinese emigrants in pre-modern Vietnam was still rather insignificant (Duong, 2023; Xing Hang 2024; Chau, 1992, 2006; Nguyen, 2000; Tran, 1993, 2002; Dao, 1924). Large-scale Chinese influx into Vietnam took place in the late nineteenth century, coinciding with the French colonization of Indochina. The French establishment of settlements and secure conditions for stable international trade attracted Chinese migrants. Moreover, the Chinese would find their opportunities in the French plans for economic exploitation of Vietnam, which demanded a large scale of labour force. These favourable conditions in Vietnam became more significant given that a growing number of Chinese were leaving China due to relentless wars and the suppressive policies of the Qing dynasty. The majority of Chinese emigrants to Vietnam came from the areas along the sea coast of South China, such as Kwangtung, Fukien, Chaozhou, and Hainan (Dao, 1924; Tran, 2002; Chau, 1992).

During the colonial period, the Chinese population in Vietnam increased substantially. Within 17 years from 1889 to 1906, the number of the Chinese in Vietnam was doubled, from 56,528 to 120,000. According to Dao (1924: 19), there were about 200,000 Chinese residents in Vietnam in the early 1920s. Each year, the country received an average of 14,368 Chinese immigrants, who were over 17 years old, not including women and children. The Chinese population in Vietnam was doubled again in 1931 with 267,000 before decreasing to 217,000 in 1936, reflecting the prolonged impact of the great economic depression of the early 1930s. In

the early 1930s, the number of Chinese returned to China was greater than the number of immigrants into Vietnam (Marsot, 1993: 53). In 1937, the Second Sino-Japanese war (1937-1945) broke out. The desire to escape war in China and seek security in Vietnam accounts for the substantially increasing number of Chinese population in Vietnam in the 1940s, although, as explained in the following sections, the Japanese army also carried out persecution against Chinese residents in Vietnam during the World War II. During the entire colonial period, the Chinese accounted for about 2% of Vietnam's population (Table 1).

Years	Number of the Chinese	Total population of Vietnam	% compared with total population
1889	56,528	-	-
1906	120,000	-	-
1908	117,000		
1921	196,800	15,584,000	1.3%
1926	-	17,100,000	-
1931	267,000	17,702,000	1.6%
1937	217,000	18,980,000	1.1%
1943	466,000	22,635,000	2.5%

Table 1. The Number of Chinese in Vietnam in Selected Years

Source: A compilation from Luong (1963) and Tran (2002)

The distribution of the Chinese population in Vietnam was closely linked with the French colonial expansion and the economic prospects of the regions. Under the French politics of 'divide and rule', Vietnam was divided into three regions with different regimes: Tonkin (North Vietnam) and Annam (Central Vietnam) as French 'protectorates' and Cochinchina (South Vietnam) as a direct colony. These three regions were incorporated with Laos and Cambodia in the creation of the French Indochina Federation, which was officially announced in 1887. Cochinchina was the primary destination for Chinese migrants, accounting for 80% of the Chinese population in Vietnam in 1921 and 77% in 1931. By 1937, the total ethnic Chinese population in Vietnam was 217,000, with more than three-thirds residing in Cochinchina. Tongkin held the second-largest Chinese population, while only a small number of the ethnic Chinese lived in Annam (Table 2). Cochinchina offered rich alluvial soil for rice cultivation, convenient waterways communications, and a much more developed domestic and foreign commerce than other parts of the country. In addition, the nature of French direct administration in Cochinchina created the belief to the effect that the region would provide greater safety and more opportunities for the immigrants (Tran, 2002; Nguyen, 2023).

Regions/Year	1908	1921	1931	1937
Cochinchina	90,000 (77%)	156,000 (80%)	205,000 (77%)	171,000 (79%)
Tongkin	22,000 (19%)	32,000 (16%)	52,000 (19%)	35,000 (16%)
Annam	5,000 (4%)	7,000 (4%)	10,000 (4%)	11,000 (5%)
Total	117,000 (100%)	195,000 (100%)	267,000 (100%)	217,000 (100%)

Table 2. The Distribution of Chinese Residents in Vietnam in Selected Years

In addition to the uneven distribution of Chinese population in the three regions of colonial Vietnam, the Chinese only concentrated in large cities, such as Cholon, Saigon, Hanoi, Haiphong, and Namdinh. In 1931, for instance, there were about 100,000 Chinese residents in Saigon and Cholon, 19,000 in Haiphong, and 5,000 in Hanoi. Other provinces attracting the Chinese included Cantho, Travinh, Danang, and Quang Ninh (Purcell, 1950; Tsai Maw Kuey, 1968).

### **The Chinese in the ‘plural economy’ of Vietnam**

Like elsewhere in Southeast Asia, the Chinese in Vietnam were grouped into *bangs*, or ‘congregations’. Initially, there were seven congregations, but in 1885, the French colonial authorities dissolved these congregations and reorganized the Chinese residents into five large congregations according to their places of origin, namely Canton, Teochiu, Hakka, Hokkien, and Hainan. The first two congregations held the great majority of the Chinese settlers; By 1950, it was estimated that they contained almost 75% of the Chinese in Vietnam (Marsot, 1993: 99; Dao, 1924: 20-21). In addition to these congregations, the Chinese established several commercial associations, notably the Association of Chinese merchants in Cochinchina (1900), the Chamber of Chinese Commerce in Cochinchina (1904), the Chinese Chamber of Commerce of Cholon (1924), and the Chinese Chamber of Commerce of Tonkin (1939) and numerous professional associations and clubs in the areas, such as transport, rice trade, banking, hairdressing, and import/export. The primary functions of these organizations were to provide social, political, and economic support for the Chinese community, creating internal cohesion, and protecting the economic interests in the face of competition from local Vietnamese, other foreign nationals, and even the French (Chau, 1992: 72; Tran, 2002:90).

The Chinese was engaged in diverse economic activities in Vietnam. The Cantonese and Fukien groups owned rice mills and sawmills, yet they also worked engineers and mechanics, operated most machine shops, and dominated construction business. Many of them were also artisans, boatmen, and carpenters. Commercial activities, particularly rice trade in Saigon-Cholon and Haiphong were predominantly controlled by these two groups. While some Teochiu members owned restaurants in Cholon, or worked as boatmen and coolies in the harbours across the colony, the majority were involved in agricultural activities in Cantho, Soctrang, Baclieu, and Travinh. The Hakkas community was largely concentrated in the Saigon-Cholon area, where they worked as merchants, contractors, mechanics, smiths, shoemakers, or food producers. The Hainan congregation, the smallest group with about 10,000 members in the early twentieth century, mostly engaged in fishing or worked as contracted labourers on pepper plantations in Hatien and Phuquoc (Dao, 1924: 20-21; Chau, 1992: 74-75).

Initially, the French colonial authorities considered the Chinese as their primary economic rivals and sought to control of their entry into the colony. They also implemented administrative measures to restrain economic power of the Chinese and protect the French economic interests. In 1887, for instance, French goods were subjected to a mere 2.5% import tax, while goods from other countries faced a 5% tax. In 1892, the French colonial authorities introduced a new custom policy, which completely waived import taxes on French goods and imposed substantial tariffs of 25% to 120% on imports from other origins. Given the Chinese dominance in the country’s foreign trade, these custom policies most profoundly affected their economic interests. The French also imposed restrictions on the Chinese movement both within the colony and abroad and the tight control of the Chinese congregations (Nguyen, 2023: 48).

Yet, the French soon realized the essential role of the Chinese in the process of their colonization of Vietnam. The large-scale influx of Chinese immigrants provided the French colonial authorities with considerable revenue through immigration fees. The French colonial government also greatly relied on the Chinese investment for the development of the colony, especially in the early stages of colonization. In 1906, for instance, of the 224 million *francs* invested in the colonial economy, the French contributed 126 million (56%), the Chinese 96 million (43%), and the Vietnamese 2 million (1%). While French investment prioritized infrastructure and transportation, Chinese capital largely went into commerce, along with some processing and manufacturing industries. Their 96 million *francs* investment comprised 66% in commerce, 26% in processing and manufacturing, and 6% in agriculture (Tran, 2002: 169-170; Dao, 1924:19-20).

In general, the French colonial government supported the Chinese business, because it also benefited from taxes levied on businesses. The areas which did not compete with the French enterprises were particularly encouraged. The rice trade, for instance, was mostly placed under the Chinese control. Out of 18 large rice mills in Saigon in the 1920s, 13 were owned by the Chinese and other 5 by the French. The Chinese also established numerous rice mills in other large cities and the rural areas which sometimes acted as rice collecting agents. It was estimated that Chinese merchants controlled over 60% of rice export in the port of Saigon and also dominated the rice trade in the port of Haiphong. Their strong ties to trading networks in Canton, Hongkong, Shanghai, and other ports in East and Southeast Asia gave them a distinct advantage over other foreign merchants, let alone the Vietnamese. The Chinese also controlled about 70% to 80% of hotels and restaurants throughout the colony. They established their own banks to provide credits and financial services for Chinese community. Many Chinese also operated pawnshops and money lending services. By the time the French left Vietnam in 1954-1955, there were 6 Chinese-owned banks in South Vietnam (Tran, 2002: 173, 194).

With their economic strength and their long-standing trading experience ‘the Chinese were the only group with sufficient purchasing power and eligibility to buy French goods for use in urban areas, making them excellent intermediaries between foreigners and the local population’ (Pierre, 1979: 45). Chinese traders often acquired rice from rural markets or directly from peasants, reselling it to local agents or large merchants, who then resold it to Chinese or French-owned exporting firms. Chinese large merchants served as the primary wholesale agents for the French imported goods. They purchased machines, materials, furniture, canned foods, and a wide range of luxury and consumer items from French importers and then resold them in the domestic markets. In many places, the Chinese obtained from the French colonial authorities the monopoly of transport and sale of salt, alcohol, and opium. In fact, the Chinese had obtained the monopoly of opium distribution in Indochina since 1862. In 1900, the French colonial authorities re-established their opium monopoly through ‘*opium régie*’ mechanism. Yet, the Chinese still played essential role as intermediaries connecting the opium dens with the indigenous population (Failler, 2001; Sasges, 2012). Some Chinese also succeeded in obtaining the exploitation of pawnshops, the concession and collection of taxes of markets, ferry, and gambling venues. The French considered the Chinese a more reliable source of social and political support than the local bourgeoisie, whose collaboration was susceptible to nationalist sentiments. Under the French colonial rule, the Chinese residents could generally retain their Chinese nationality. Alternatively, they could choose to become Vietnamese citizens or ‘assimilated foreign Asians’ (*Asiatiques étrangers assimilés*), both of whom were considered French subjects (*sujets français*), or citizens of a third nation. Ultimately, only 10% to 20% of the Chinese population

became French subjects, with the vast majority (80% to 90% retaining their Chinese nationality (Tran, 2018:10).

In essence, although the Chinese were involved in nearly every aspect of the colonial economy, they played the most prominent role in commerce. Statistical analysis prior to the World War II demonstrates the Chinese engagement in business as follows: 56% in commerce, 28% in the mining factories, and 16% in agriculture (Hicks, 1993: 135). In 1920, there were 289 Chinese employees in agricultural projects in the whole of Tonkin, and 3,779 in the mines there, against a total of 1,906 in commercial and industrial firms (Marsot, 1993: 142). Another official figure of the French colonial government provided that in the 1920s, the Chinese accounted for 7% (3,779 people) of mining workers and 14% (12,000 people) of workers in processing industries in Vietnam (Tran, 2002: 91). The Chinese owned a number of relatively large firms. In Haiphong in 1917, for instance, the mechanics workshop of Quang Xuong Long was established with a capital of 4000 francs and 190 workers. The workshop of mechanical repair and milling of Quang Tai Long also employed 210 workers (UBNDTp.Haiphong, 2021: 33).

It is interesting to compare the distribution of jobs among the Chinese, French and Vietnamese communities. Of the total French labour force, it was estimated that 53% served in army and navy and 19% employed as government officials. The rest of the French community found employment with big French companies, notably in trade (7.4%), mining and industry (5.7%) and transportation (2%) (Robequain, 1944: 21-29). Meanwhile, the majority of the Vietnamese community was engaged in the traditional sectors of agriculture and handicrafts. Apart from small number of Chinese labour and Javanese coolies, the Viet people (ethnic Kinh) from the Red River Delta in North Vietnam made up the majority of labour in French plantations, mines, and construction in North and Central Vietnam (Ta, 1996: 233; Ta, 2001: 233-234).

	Total population	Europeans	Chinese
Vietnam	18,980,000 (100%)	39,272 (0.2%)	217,000 (1.14%)
Tonkin	8,700,000 (100%)	18,171 (0.21%)	35,000 (0.4%)
Annam	5,656,000 (100%)	4,982 (0.09%)	11,000 (0.19%)
Cochinchina	4,616,000 (100%)	16,084 (0.35%)	171,000 (3.7%)

Table 3: Population of Colonial Vietnam By Nationality In 1937

Source: Robequain, 1944: 21,34.

As written above, the Chinese and the French did not occupy the large proportion in the total population of colonial Vietnam. During the colonial period, the population of Vietnam fluctuated between 15 and 23 million (Table 1). Of this number, the Viet (ethnic Kinh) made up about 87%. The Europeans were a small minority, numbering 30,000 in 1930 and 39,272 in 1937, accounting for about 0.2% of the total population (Table 3). The Chinese proportion is relatively higher, at 1.3 % in 1921, 1.1% in 1937, and 2.5% in 1943 (Table 1&3). Nevertheless, the economic position of the French and the Chinese was excessively higher than that of the Vietnamese. In 1937, French Indochina had an estimated GDP of 1.128 billion piastres. With a population of 18,980,000 people, the per capita income for Indochina was 59 piastres. The distribution of

income among the ethnic groups in Indochina was highly unequal. In 1931, for instance, the French residents and rich Chinese and Vietnamese enjoyed annual incomes, ranging from 5,000 to 6,000 piastres, a manual worker earned only 44 piastres per year in Tonkin, 47 piastres in Annam, and 55 piastres in Cochinchina. The peasants earned even less. The average budget of a poor peasant family of five persons in Cochinchina in 1931 was merely 154 piastres, equivalent to 30.8 piastres per person (Le, 2004: 41, 56). On average, the unequal distribution of income between the French and wealthy Chinese and Vietnamese manual workers and peasants could be as high as 100 and 150 times.

The great wealth of the Chinese was often viewed by the indigenous population as a result of their collaboration with the French colonial rule and their excessive exploitation of local resources. This perception led to the anti-Chinese sentiment among the indigenous people, which often surged during the colonial era. In 1919, for instance, a large anti-Chinese campaign took place in Cochinchina, particularly in Saigon. A seemingly minor incident, namely a price increase at a Chinese coffee shop in Saigon ignited widespread public anger, escalating into a prolonged boycott of Chinese goods that lasted until 1923 after the intervention of the French colonial authorities (Dang, 2019; Nguyen 2025). The anti-Chinese sentiment was frequently exploited by the Vietnamese bourgeoisie as a political instrument in their competition with the Chinese businesses.

### **The End of the Chinese Economic Superiority**

The Chinese economic influence in Vietnam was significantly diminished when the Japanese invaded and occupied the country in late 1940. During the Second Sino-Japanese war (1937-1945), most war materials were supplied to the Chinese revolutionary forces in China by overseas Chinese via northern borders of Vietnam. To stop this traffic of weapons, Japanese troops attacked North Vietnam in September 1940, which was followed by a series of agreements between the French colonial authorities and the Japanese army, recognizing the Japanese occupation of Indochina (Shiu, 2017; Marr, 1980, 1995; Smith, 1978). A Franco-Japanese collaborative rule was established in Vietnam, in which the French existing colonial apparatus was utilized to facilitate the Japanese war efforts (Sachiko, 1981; Dreifort, 1982).

The first targets of the Japanese army when it moved into Vietnam were those Chinese who had trading ties with China. When Japanese troops landed in Haiphong on 26 September, it was reported that 500 Chinese people fled to Yunnan and Hong Kong to escape the Japanese attacks (Tiếng dân, October 5<sup>th</sup>, 1940). The Chinese banks in northern Vietnam were immediately confiscated by the Japanese army. When the Japanese moved to southern Vietnam in mid-1941, they also seized many Chinese firms there. As a result of the Japanese anti-Chinese actions, thousands of Chinese residents in Saigon left for Singapore and Taiwan in late 1941 (Thompson, 1941: 271). Although the French colonial government sometimes voiced protests against arrests of the Chinese, these efforts were not effective in protecting Chinese residents.

As rice was the primary concern of the Japanese military authorities in Vietnam, the Chinese businesses were most seriously affected. The Japanese authorities controlled both the supply and price of rice. All rice producers were obliged to sell part of their paddy to the Chinese brokers, who then delivered it to the Japanese authorities. They could also sell their rice directly to the government mills. The former local distribution system of rice completely collapsed. The Japanese companies co-operated with the French and the Vietnamese in the establishment of manufacturing concerns and retail shops to compete with the Chinese. Consequently, the

Japanese invasion and occupation virtually ended the economic hegemony of the Chinese in Vietnam.

The Japanese capitulation at the conclusion of World War II brought prospects for the revival of the Chinese supremacy in Vietnam. Despite the proclamation of independence of Vietnam on September 2<sup>nd</sup>, 1945, the Democratic Republic of Vietnam (DRV) was not recognized by the Allied powers. Under Allied command, the Kuomintang army occupied North Vietnam, while British-Indian troops, followed by returning French forces, had jurisdiction over South Vietnam. By the end of August 1945, over 150,000 Chinese troops entered North Vietnam with the primary objective of disarming approximately 35,000 Japanese army (Marsot, 1993: 60-62; Buttinger, 1961: 110, 121). Yet, Chinese troops took full advantage of their position in Vietnam, implementing measures that yielded maximum benefit for themselves. They immediately imposed their own rules and fixed an advantageous exchange rate between the piastre and the Chinese dollar, enabling themselves to acquire goods at minimal cost. Furthermore, they appropriated the assets of Japanese firms, inventoried local resources, and engaged in mining and trade. They also seized control of river and rail transport and established their own postal service. Many soldiers and attached personnel conducted various business operations.

The arrivals of Kuomintang troops caused much pride and joy among the Chinese community in Vietnam. They regarded the presence of the Chinese forces as a powerful symbol of their nation's prominent position equivalent to other Allied powers. They hoped for a revival of their economic activities and to resume their economic supremacy as they had held before the war. The Kuomintang authorities also promised to protect their lives and wealth amidst the widespread civil disorder. A segment of the local Chinese population exploited the opportunity to collaborate with Chinese military officials in their various business ventures.

Yet, the desperate hope for a business revival of the Chinese in Vietnam, relying on the Kuomintang army soon proved illusory. Except for a few Chinese opportunists who collaborated with the army, the majority of Chinese residents faced economic hardships similar to the those of the Vietnamese, enduring extortions by Chinese troops and a steep rise in the cost of living. Those Chinese who had collaborated with the Japanese during the war suffered misgivings. The Kuomintang army seized control of all banking operations between Vietnam and China through newly established Chinese banks in Vietnam, including the Bank of China and the China Bank (Marsot, 1993: 66). Above all, the Kuomintang authorities had no intention of a prolonged stay in Vietnam, because on February 28<sup>th</sup>, 1946 they signed with the French an agreement, which permitted French troops to land in North Vietnam as their replacements (Le, Tran & Nguyen, 2007: 39-40).

The departure of Kuomintang troops placed the Chinese in Vietnam in a highly precarious position, caught between the returning French forces and the DRV forces in a conflict that did not directly concern them. In May 1946, the DRV government ordered that all imported merchandise be subjected to taxation. The Vietnamese government then exerted control of exports and established a system of licenses, thereby stripping Chinese merchants and speculators of the foreign currency they had earned from the rice trade. These new custom policies caused resentment from the Chinese, but their objections were fruitless, for the withdrawal of Chinese troops had deprived them of their former protection. Once again, they reverted to their traditional role as colonial collaborators, seeking protection from the French authorities. Yet, this effort proved to be of little help as the primary concern of the French was combating the DRV.

Year/ Regions	1943				1951	1953
	Total population of Vietnam	Number of the Chinese	% compared with total population	% compared to total Chinese population in Vietnam	Number of the Chinese	Number of the Chinese
Total	22,612	466	2,1%	100	731	606
South Vietnam	5,578	397	7,0%	89%	657	541
North Vietnam	9,815	53	0,5%	8%	59	52
Central Vietnam	7,183	16	0,2%	3%	16	13

Table 4: Number of the Chinese in Vietnam in selected years (thousand people)

Sources: Tran (2002: 98)

The position of the Chinese in Vietnam grew more precarious after the first Indochina War broke out in December 1946. Major cities in North Vietnam, such as Hanoi, Haiphong, and Namdinh became the military battlegrounds between the French and DRV forces in the early stages of the war. Chinese property in these places was again destroyed. Many Chinese became refugees and some of them even fled to China. The DRV's scorched-earth policy and subsequent sabotage of public facilities and economic installations in the French-occupied territories significantly harmed the Chinese businesses. Facing such difficult circumstances, a large number of the Chinese left North Vietnam for the South, particularly Saigon or departed the country altogether. This situation largely explains the rapid decline in the number of the Chinese in North Vietnam, which fell from 731,000 in 1951 to 606,000 in 1953 (Table 4).

In 1954, the First Indochina War ended after the French defeat at the Dien Bien Phu Battle. The Geneva Accords was then signed, temporarily divided Vietnam into two regions along the 17<sup>th</sup> parallel. The DRV controlled North Vietnam, while South Vietnam was under the control of State of Vietnam, then led by Ngo Dinh Diem. Following the withdrawal of the French army, the majority of Chinese residents also deserted North Vietnam for the South. Thus, the Geneva Accords not only brought an end to the French colonial power in Vietnam, but also caused a substantial reduction in the Chinese population in North Vietnam. A period of rehabilitation and transition to socialism followed in North Vietnam, characterized by the ultimate control of the state over the economy, largely at the expense of private interests, including Chinese businesses.

The situation of the Chinese in South Vietnam was rather different. The government of South Vietnam adopted several measures to force the integration of the Chinese into the Vietnamese society, as well as to restrain their economic power. In August 1956, the Ngo Dinh Diem government promulgated an ordinance, mandating all Chinese born in Vietnam to adopt Vietnamese citizenship or face repatriation to China. In the following month, another ordinance was issued, prohibiting foreign nationals from engaging in a range of professions, largely in the Chinese hands, such as dishmongers, butchers, general commodity retailers, coal and firewood merchants, petroleum product dealers, secondhand goods dealers, transportation services, rice millers, and commission agencies. The Chinese were given 6 months to a year to liquidate their businesses. The transfer of the control of foreign trade from the Chinese to Vietnamese hands

was exacerbated by the government's discriminatory policy of issuing import licences in favour of Vietnamese participants (Buttinger, 1961: 110; Tran, 2002, 121; Pham, 2019: 70-71). In order to continue their business activities in Vietnam, most Chinese in South Vietnam adopted Vietnamese citizenship between the late 1950s and early 1960s, thereby becoming Vietnamese citizens of Chinese ethnicity. This naturalization effectively transformed the Chinese community into one of Vietnam's ethnic minority groups.

## **Conclusion**

Although the Chinese had long settled in Vietnam, the large-scale influx of the Chinese migrants to Vietnam only took place in the late nineteenth and early twentieth centuries. The introduction of a large number of the Chinese, together with the French and other foreign communities turned the Vietnamese traditional society into a kind of plural society, characterized by a sharp division of labour and economic conflicts among racial groups. The Chinese primarily engaged in commerce and related operations, including jobs, such as moneylenders, bankers, contractors, mechanics, and food producers. Given their status as privileged foreign nationals, the Chinese served as middlemen between the Europeans and the local Vietnamese. By and large, the Chinese were much wealthier than the ordinary Vietnamese. Their prosperity was often believed by the indigenous people to have been the fruit of their collaboration with the French colonial authorities and their excessive exploitation of the local resources. This perception stirred up hostilities towards the Chinese among the indigenous population.

The Chinese position was occasionally challenged by the anti-Chinese movements of the Vietnamese during the colonial period. However, the most serious blow to Chinese interests came with Japan's occupation of Vietnam during World War II. The Japanese repression and expropriation of the Chinese property caused a large-scale exodus of the Chinese from Vietnam during the Japanese occupation. Although Chinese commercial interests saw a short revival during the Kuomintang occupation of North Vietnam in late 1945 and early 1946, their businesses were again ruined as the First Indochina War escalated into full-scale conflict. Most Chinese residents left North Vietnam in the late 1940s and the early 1950s, their remaining assets became the subject to nationalization of North Vietnamese government after 1954. The property of the Chinese in South Vietnam soon also became the Ngo Dinh Diem government. Face with the increasing administrative pressures from Ngo Dinh Diem's government, Chinese residents had no choice, but to sell their businesses or acquire Vietnamese citizenship. By November 1963, when Ngo Dinh Diem's rule ended, the Chinese community had transformed into an ethnic minority in both North and South Vietnam.

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